Ahmed Educational Books Ltd.

Study the data below and answer the questions that follow.

Profit and Loss account for Ahmed Educational Books Ltd., for the years ended 31 December.

|  |  |  |
| --- | --- | --- |
|  | Year 2 | Year 1 |
| Sales | **(i)** | 450 |
| Cost of Goods Sold | 200 | **(ii)** |
|  |  |  |
| **Gross Profit** | 300 | 270 |
|  |  |  |
| Expenses | 100 | 90 |
| **Net profit before interest and tax** | **(iii)** | 180 |
|  |  |  |
| Interest payable | 10 | 0 |
| Taxation | 48 | **(iv)** |
|  |  |  |
| **Net profit after interest and tax** | 142 | 135 |
|  |  |  |
| Dividends | 10 | 15 |
| Retained Profit | 132 | **(v)** |

1. Complete the missing figures in the above profit and loss account. 5 marks

B) Discuss whether the shareholders of Ahmed Educational Books Ltd. would be pleased with the performance of the company? 8 marks